

ACI EUROPE

10 Rue Montoyer (Box 9)
1000 Brussels, Belgium
www.aci-europe.org

Air connectivity essential to Europe's regional cohesion & inclusiveness

For immediate release

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Krakow, 22 May 2019: Europe's regional airports gather in Krakow, Poland this week for the 12th Annual ACI EUROPE Regional Airports Conference & Exhibition. The event, hosted by Krakow Airport, provides the opportunity to review trading conditions and discuss the challenges they face in developing air connectivity and advancing regional cohesion & social inclusion.

TRAFFIC & CONNECTIVITY GAINS - SUPPORTING THE REGIONS

Over the past 10 years, regional airports in Europe have welcomed an additional **251 million passengers** – more than the annual traffic of Europe's 3 busiest airports (London-Heathrow, Paris-CDG and Amsterdam-Schiphol). Through proactive route development strategies involving incentives & rebates to airlines and competing with other airports across Europe for direct/point-to-point air services, they have boosted the **direct connectivity** of their communities by **+28.8%** since 2014.

Olivier Jankovec, Director General, ACI EUROPE said *"Regional airports are putting hundreds of local communities not just on the European map but also on the global one. They are essential - and in most cases irreplaceable - engines of economic regeneration & development. Today, there is no escaping the fact that to develop tourism, attract inward investment and create local jobs, an airport is a vital part of the equation."*

Radosław Włoszek, CEO Krakow Airport said *"As the largest regional airport in Poland, now serving over seven million passengers a year, Kraków Airport is delighted to host this year's Regional Airports Conference. Due to our hard work to develop the region's air connectivity we have nearly doubled the number of air services and our traffic numbers in the past 5 years. Today, our airport offers more than 130 direct connections, which are provided by 24 legacy and low-cost carriers. Our absolute focus on enhancing our region's connectivity will result in 39 new connections this year, helping us to deliver a robust 17% annual passenger traffic growth."*

NETWORK DEVELOPMENT & ECONOMIC CHALLENGES

But while regional airports bring undisputed benefits to their communities, they also face significant challenges.

Route & network development has become harder this year. Indeed, apart from Low Cost Carriers (LCCs) moving upmarket into primary airports, airlines are generally becoming more risk-averse – up-gauging, focusing on higher-yield markets and increasing capacity contingencies for ATM disruptions. Consolidation is also playing its part – with no less than 7 European airlines having gone bust since last September. As a result, smaller regional airports¹ are seeing their direct connectivity fall by **-2.9%** this summer.

Meanwhile, economic sustainability remains an on-going concern for many regional airports – especially at a time when the European Commission is reviewing its State Aid Guidelines. **61%** of airports handling less than 5 million passengers per year are loss making – with that percentage rising to **71%** for those with less than 1 million passengers.

Jankovec commented *"Traffic levels largely shape the cost & revenue profiles of airports and thus directly impact profitability. Smaller regional airports are clearly at a disadvantage there. They lack economies of scale and incur significant sunk costs – and also generate lower commercial revenues than larger airports since they serve smaller and less affluent markets. These are defining structural factors which the Commission will need to keep in mind in the review of its State aid guidelines."*

CLIMATE ACTION, SOCIAL INEQUALITY & COHESION

In the wake of the UN IPCC's report published last October, the impact of air transport on climate change has become the subject of intense scrutiny - rightly so. The report calls for urgent & drastic action to limit global warming, in line with the objectives of the Paris Agreement.

Climate action is nothing new for regional airports in Europe. 85 of them are currently certified under the *Airport Carbon Accreditation*² programme, with 19 having achieved the carbon neutrality level and 3 having even reached net-zero carbon emissions without offsetting. But more needs to be done.

Commenting on renewed calls for aviation to be taxed at EU level, Jankovec said *"There is no doubt that aviation collectively needs to up its game when it comes to climate action. But, while taxing aviation to curb demand looks like an easy fix for some, the reality is that it does little if anything to decarbonise air transport. In fact, it would primarily impact regional connectivity, hurting smaller communities and lower income citizens. Air routes serving smaller regional airports would be the first to be axed, as these are typically the least profitable for airlines."*

He added *"Taxing aviation raises serious issues of social & territorial inequality – the very themes that are driving public debates and politics across Europe right now. Doing so would actually question the core EU objectives of fostering cohesion and economic integration. It is an unavoidable fact that these objectives rely on affordable and extensive air connectivity. The challenge of greening aviation deserves better than that. It must be addressed in an effective & inclusive manner."*

ENDS

Notes to Editors

This year's conference has attracted over 180 delegates from 32 countries. It was preceded by a meeting of ACI EUROPE's Regional Airports Forum which brings together over 450 regional airports. The Chair of the Forum is Henri Hansson, Senior Vice President at Finavia, the Vice-Chair is Niall MacCarthy, Managing Director of Cork Airport.

¹ Regional airports welcoming less than 5 million passengers per year.

² For details of climate action undertaken by airports – including case studies and results, visit www.airportCO2.org

For more information, contact:

Robert O'Meara, Director, Media & Communications, ACI EUROPE
mobile: +32 (0)486 54 14 71 or tel: +32 (0)2 552 09 82.
Email: robert.omeara@aci-europe.org

*ACI EUROPE is the European region of Airports Council International (ACI), the only worldwide professional association of airport operators. ACI EUROPE represents over **500 airports** in 45 European countries. Our members facilitate over 90% of commercial air traffic in Europe: **2 billion passengers, 20 million tonnes of freight** and **23.7 million aircraft movements** in 2016. These airports contribute*

to the employment of **12.3 million people**, generating **€675 billion** each year (**4.1%**) **of GDP** in Europe.

EVERY FLIGHT BEGINS AT THE AIRPORT.